

VZCZCXRO4733
RR RUEHCHI RUEHCN RUEHDT RUEHHM
DE RUEHJA #0691 0980332
ZNR UUUUU ZZH
R 070332Z APR 08
FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC 8574
RUEHGP/AMEMBASSY SINGAPORE 6288
INFO RUEHXS/ASEAN COLLECTIVE

UNCLAS JAKARTA 000691

SIPDIS

SIPDIS
SENSITIVE

DEPT PASS FAA HQ
DEPT PASS EX-IM
DEPT FOR EAP/MTS, EB/A/TRA/DL AND EEB/IFD/ODF-WILLIAMS
SINGAPORE FOR FAA-WALSH

E.O. 12958: N/A
TAGS: [EAIR](#) [ECON](#) [EFIN](#) [EINV](#) [CASC](#) [ETRD](#) [PGOV](#) [ID](#)
SUBJECT: INDONESIAN AUTHORITIES DEREGISTER ADAM AIR PLANES

REF: JAKARTA 00598

11. (U) Summary. Four U.S. companies held aircraft leased to Adam Air when the airline was grounded by Indonesian authorities on March 19, 2008. The leasing companies have been successful in deregistering nine planes without difficulty. End Summary.

12. (U) The Directorate General of Civil Aviation (DGCA) deregistered two planes leased by U.S. company CIT Aerospace (CIT) effective April 1, 2008. CIT Vice President Volker Fabian told us on April 3, 2008 that repossession of these aircraft was "not any more or less complicated" than repossessions he has done in other countries. He said personal relationships with key players were most important in coming to agreements on repossession. One CIT plane still awaits damage assessment after it skidded off a runway on March 10, 2008.

13. (SBU) General Electric Commercial Aviation Services (GECAS) leased seven Boeing 737 aircraft to Adam Air. DGCA deregistered four of those planes on March 25, 2008 and the rest three days later. In a meeting with Ambassador Hume on March 26, 2008, GE President of Southeast Asia Stuart Dean said that GECAS had undergone deregistration of aircraft four times with Indonesia's DGCA and that each time was better than the last. GE Director of Market Development David Hutagalung told us on April 2, 2008 that, "This has been the best so far" and the fastest, although it "could always be faster." Hutagalung said the personal relationship GE has with the Minister of Transportation helped speed the process along.

14. (SBU) U.S. company Aviation Capital Group (ACG) leased two planes to Adam Air, which DGCA deregistered on April 3, 2008. Oene Marseille, ACG's local counsel, told us on April 3, 2008, "In my view, the deregistration went relatively smoothly, although there was some concern when the DGAC verbally expressed the need for Adam Air consent on the deregistration application." In a meeting between ACG, DGCA officials and us on March 31, 2008, Director for Airworthiness Certification Yurlis Hasibuan said that he wanted an "operating rule" that would allow DGCA to immediately authorize deregistration of aircraft, but until then DGCA requires the airline to present a written statement that it does not oppose deregistration. Hasibuan said although the leasing contracts were signed before the Cape Town Treaty (an international treaty that attempts to standardize the transactions of movable property, particularly aircraft and aircraft engines) DGCA was committed to upholding the principles of the Treaty.

15. (U) Other planes leased to Adam Air include: two planes from Ireland-based AWAS, which plans to submit deregistration

documentation soon, three planes from U.S.-based Jetscape and five 737-200 planes from local company Airgo, neither of which have indicated an interest in deregistering their planes with Adam Air.

HUME